

# Mobile Home Insurance

OFFICE OF THE COMMISSIONER OF INSURANCE (OCI)

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If you own a mobile home, you may want insurance protection against three types of loss:

Damage to your home from fire, windstorm, or other physical damage;

Theft of personal property;

Legal liability for injury or damage which is not auto-related, arising out of your negligence or that of members of your family.

Mobile home insurance provides coverage similar to the regular homeowner's policy, but is tailored to meet the specific needs of the mobile homeowner. Generally, it costs more to insure a mobile home than a conventional house because of the differences in construction and the mobile home's greater susceptibility to wind damage.

## Types of Insurance

There are various ways to insure your mobile home. The insurance policies that companies offer are not all the same. Before you buy mobile home insurance, make sure your agent explains the coverages provided by the policy and the costs of these coverages.

The **mobile homeowner's policy** is a package of insurance written specifically for mobile homes, which includes coverage on the mobile home as well as theft and personal liability protection. A mobile homeowner's policy can be either a *named peril* or a *comprehensive policy*.

A named peril policy usually covers losses for your mobile home and its contents in the event of fire, lightning, explosion, transportation, theft, windstorm, riot or civil commotion, and personal effects. A comprehensive policy covers losses from damage to your property as long as two conditions are met: the cause of the damage must be direct, sudden and accidental and the cause of the damage is not listed as excluded from

your policy. A comprehensive policy covers all perils (causes of loss) that are not specifically listed on the policy as excluded.

Read your policy carefully to be sure you understand your responsibilities. Your insurance coverage will vary according to the type of policy and your individual needs.

## Basic Coverages

*Personal property coverage* protects you if any of your possessions are stolen from your mobile home. A list of your personal property and its value will be helpful if you make a claim.

*Personal liability coverage* protects you against a claim or lawsuit resulting from bodily injury or property damage to others. This applies to nonauto accidents on and off your property if the injury or damage is caused by you, a member of your family, or your pet.

*Medical payments coverage* pays medical expenses for injuries to other people that occur on your property or elsewhere, if the injury was caused by you, your pet, or a family member. Payment is made regardless of fault.

A **fire and extended coverage policy** provides coverage for fire and other perils, including windstorm, explosion, and smoke damage. This policy does not automatically cover theft, personal liability, the contents of your mobile home, or other extra coverages. However, you can purchase additional insurance to include these coverages.

Some policies also provide for extensions of coverage, such as:

**Additional living expenses** pays you and members of your family for additional living expenses when your mobile home is rendered uninhabitable because of being damaged or destroyed by an insured peril.

**Emergency removal expense** covers the cost of reasonable expenses for removing damaged property.

## Optional Coverages

**Consent to Move** endorsement waives the prohibition against moving the mobile home and extends coverage for 30 days.

**Trip/Transportation Coverage** provides collision coverage for your mobile home and its contents against damage by collision or upset while being transported from one location to another.

**Lienholder's Single Interest Coverage** provides coverage to protect a lienholder's interest in a mobile home and its equipment against loss due to collision damage or embezzlement, conversion, or secretion while the mobile home is in lawful possession of the insured. The premium charged for such coverage must be paid for by the lienholder and not by the tenant or the person owning the mobile home.

## Replacement Cost vs. Actual Cash Value

Before buying mobile home insurance, you need to understand the difference between "replacement cost" and "actual cash value." Replacement cost is the amount it would take to replace or rebuild or repair damages with materials of similar kind and quality, without deducting for depreciation up to your policy limits. Actual cash value is the value of your property when it is damaged or destroyed.

Most mobile home policies are written on an Actual Cash Value (ACV) basis, which means that the depreciation of your mobile home and its contents is taken into consideration at the time of a loss. This is usually figured out by taking the replacement cost and subtracting depreciation. For example, a chair that costs \$500 to replace may have a reasonable "life" of 20 years. If it is destroyed after 10 years, its actual cash value will be much less than \$500, probably about \$250. The condition of your chair would also affect your insurance payment.

There are insurance companies currently writing replacement cost policies on mobile homes and its contents. You need to check with your agent to see if this coverage is available.

## How Much Mobile Home Insurance Do You Need?

In deciding how much coverage to have on your mobile home or on the contents, you should consider:

- How much of your property could you afford to lose if it were damaged or stolen?
- What property could be damaged or stolen, and how much would it cost to replace it?
- If you were sued by someone who suffered injuries because of your negligence, how would you pay the legal costs and possible damage awards?

## Mobile Home Tie-Down Requirements

An insurer may require your mobile home be secured to the ground by approved tie-downs and ground anchors, unless the mobile home is secured to the ground on a permanent foundation. It is up to the insured to provide for such tie-downs or there is a possibility that insurance coverage will not be provided because of the eligibility requirements imposed by the company.

Tie-down requirements vary among insurers. Contact your insurance agent and/or insurance company to see exactly what your insurance company's requirements are with respect to tie-downs.

## Deductibles

The deductible is the amount of any loss you must pay before the insurance company will cover damages. Deductibles reduce costs because you pay the first \$100 or \$250 of every loss. Remember the amount of deductible you chose is the amount you will be responsible to pay. You should ask if the savings is worth it.

## Cost Comparisons

Cost comparisons among different companies are sometimes difficult to make, but it is worth it to shop around. While the price you pay is important, you should not purchase insurance on cost alone. You need to find out what coverage is included. Some mobile home policies are comprehensive, while others cover only specific causes of loss or named perils. Liability coverage,

deductibles and coverage limits can vary from company to company and from policy to policy. Call several agents before making a choice.

## **Some Tips On Loss Prevention**

Taking steps to prevent losses is important.

- Install smoke and heat detectors near sleeping areas.
- Keep your mobile home clear of accumulated trash, oily rags, and combustible materials.
- Check lamps, lamp cords, and light switches to make sure there is no faulty wiring.
- Practice home fire drills. Make sure everyone (especially children) knows what to do in case of fire.
- Keep matches away from children. Make sure that smokers do not smoke in bed.
- Install adequate locks on your mobile home and take other precautions such as not letting newspapers accumulate in your absence.

## **Items To Remember**

The laws of Wisconsin prohibit insurance companies from refusing, cancelling, or denying insurance coverage to a class of risks solely on the basis of past criminal record, physical, or developmental disability, mental disability, age, race, marital status, sex, sexual preference, "moral" character, location, or occupation.

Before you buy mobile home insurance, make sure your agent explains the coverage provided by the policy and the cost of coverage. Not all mobile home policies are alike or standard. Different companies charge different premiums for the coverages provided by the policy. Make sure you understand all the coverages and costs. As a mobile homeowner, you need to shop around for the best price and the best policy to fit your needs.

Mobile home policies may require either a wind deductible and/or hail deductible. Some companies offer higher deductibles which will reduce your total premium charge. Be sure you understand what specific deductibles are involved with your mobile home policy.

Most mobile home policies are written on an Actual Cash Value (ACV) basis, which means that the depreciation of the mobile home is taken into consideration at the time of a loss. There are a few companies currently writing replacement cost coverage on mobile homes. You need to check with your agent to see if this coverage is available.

Some property increases in value over a long period of time. Examples are antiques, paintings, and silverware. You should insure these objects by listing them on the policy. Usually it is best to get extra insurance for your most valuable possessions. Your policy can be modified at additional cost to protect you against such losses.

## **Flood Insurance**

Most mobile home insurance policies do not cover flood losses. Some mobile home parks are located in a "flood plain" as defined by the federal government. If your community is a participant in the National Flood Insurance Program (NFIP), you are eligible for federally sponsored flood insurance coverage for your mobile home. Contact your insurance agent to learn more about your eligibility for flood insurance protection. For general information on the flood insurance program, you may call or write:

National Flood Insurance Program (NFIP)  
P.O. Box 459  
Lanham, MD 20706-0459  
1-888-FLOOD29 (356-6329)  
<http://www.floodsmart.gov>

## **What If I Have Trouble Finding Insurance?**

Companies may choose the people they wish to insure. However, they may not refuse to insure you on the basis of race, color, creed, national origin, or ancestry. If you are turned down by one company, check with others. Companies have different underwriting standards.

If you try several companies and cannot find coverage, you can be insured through the Wisconsin Insurance Plan. This is a risk-pooling arrangement in which all companies selling property insurance in the state share the risk of property owners who have difficulty in securing insurance from usual market sources. You may apply through an insurance agent to see if your mobile home qualifies. For more information on

the Wisconsin Insurance Plan you may call or write:

Wisconsin Insurance Plan (WIP)  
700 West Michigan Street, Suite 320  
Milwaukee, WI 53233  
(414) 291-5353  
<http://www.wisinsplan.com>

## How Do You Shop For Mobile Homeowner's Insurance?

Agents and companies differ. Friends may have some recommendations. If not, try the yellow pages. Agents and companies are listed alphabetically and by location.

If you want to know if an agent or company is licensed in the state, you may call the OCI. To find out if a company is licensed call (608) 267-9456. For agents call (608) 266-8699. Agent and company lookup information is also available in the Quick Links section on OCI's Web site at [oci.wi.gov](http://oci.wi.gov).

You may wish to contact one of the following insurance industry associations or groups for further information:

Independent Insurance Agents of Wisconsin (IIA)  
725 John Nolen Dr.  
Madison, WI 53713  
(608) 256-4429

Professional Insurance Association (PIA)  
6401 Odana Road  
Madison, WI 53719  
(608) 274-8188

Community Insurance Information Center (CIIC)  
700 West Michigan Street, Suite 350  
Milwaukee, WI 53233  
(414) 291-5360

## Protecting Your Mobile Home

Review your insurance annually.

Update the list of your home's contents and their value annually. Make it a habit to attach to the list receipts of your more expensive purchases. Keep the list in a fire-proof box, or with a relative or friend. An accurate list will be helpful if you need to make a claim.

Make sure your mobile home is equipped with a smoke or heat detector and test it monthly.

Protect your property. Keep your property in good repair. When installing awnings or air conditioners, be sure they are secure. The more damage resistant you make your mobile home, the more likely you are to get the most favorable rates when buying insurance protection.

Make sure any additions to the mobile home are added to your insurance policy. Check with your agent to be sure that adjacent sheds, tipout rooms, skirting, and rooms built on are covered by your policy.

If your mobile home is to be moved by a common carrier, you should be sure that the carrier provides adequate protection in the event of a loss. The common carrier's protection may not be enough and you may need to buy more. Contact your insurance agent before you move your mobile home to another location.

## What To Do If You Have a Complaint

**For information on how to file an insurance complaint call:**

**(608) 266-0103 (In Madison)**

**or**

**1-800-236-8517 (Outside Madison)**

The OCI investigates complaints and attempts to bring the matter to a fair and reasonable conclusion. If any laws or rules have been violated, the office will proceed with disciplinary action. Penalties include suspension or revocation of licenses or fines. This office cannot settle a factual dispute and you may have to pursue your claim through small claims court or with an attorney.

**State of Wisconsin  
Office of the Commissioner of Insurance  
P.O. Box 7873  
Madison, WI 53707-7873**

**OCI's World Wide Web Home Page:**  
[oci.wi.gov](http://oci.wi.gov)